

## MONTENEGRO

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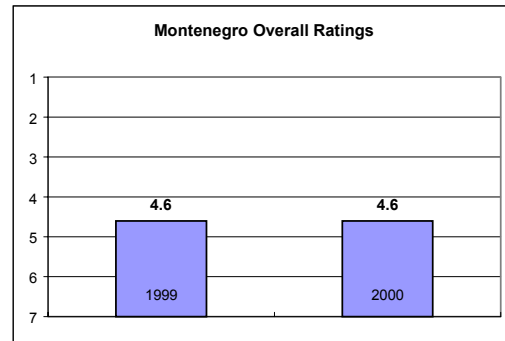
Capital: Podgorica  
GDP per capita: n/a  
Population: n/a

Inflation: n/a  
Unemployment: n/a  
Foreign Direct Investment: n/a

### OVERALL RATING: 4.6

In many ways, the situation of NGOs in Montenegro was the opposite of the situation in Serbia before October 5<sup>th</sup>. There were fewer and less developed NGOs in Montenegro, but they functioned within a more supportive legal atmosphere and political environment. New laws, created by NGOs at the end of 1998 and passed by the Montenegrin parliament last year, provide full freedom to form and operate all organizations. Aside from the usual registration requirements, the law prohibits state interference in the functioning of NGOs.

The government, democratically elected in 1998, views NGOs positively. NGOs are generally well covered by the independent media. There are pro-government NGOs in the same institutional sense as before, but the government shows little favoritism towards them. The government has provided some financial help for NGOs and has organized two open competitions for grants so far.



The main challenges facing Montenegrin NGOs relate to their late start, slow development, and poor organizational capacity. But the situation is slowly improving. Under the new law, the NGO sector has flourished. Over 800 NGOs have registered so far. Several NGOs have become prominent think tanks and policy advocates, and some are very active in the fields of human rights, women issues, consumer protection issues, community development, and NGO development. However, most NGOs are small, inactive, and centered around a single person. There is very little domestic support, and international donors—though the most important resource for NGOs' work—are not numerous or active enough to meet the needs of the Montenegrin NGO sector.

### LEGAL ENVIRONMENT: 3.5

As noted above, Parliament passed a new NGO law in 1999 which provides for open and simple registration proce-

dures, ensures swift registration, and contains minimal requirements. The law was passed with the support of a

coalition consisting of almost all Montenegrin NGOs. The coalition provided key advice and lobbying in the drafting and legislative stages.

After the law's passage, aides to President Milo Djukanovic indicated the need to improve the law even more, particularly the regulations making registration mandatory, the controversial provisions on internal governance, the lack of a conflict of interest provision, and relatively large fines imposed for non-compliance. CEDEM and the International Center for Not-for-Profit Law have been asked for assistance in the effort to fine-tune the 1999 law.

Tax legislation affecting domestic donations to NGOs is

quite liberal, and is covered in a separate tax law. This law provides that corporate donations to public benefit, sports, or religious organizations are tax deductible to up to 3% of the corporation's total income. Individual donations to these organizations are deductible to the 10% of taxable income.

While the overall tax environment is good, tax laws tend to be interpreted rather broadly, particularly in terms of income generating activities of NGOs, making it very difficult for organizations to conduct activities for their support. Finally, as Montenegro functions within the legal framework of the FRY, its overall status remains precarious.

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### ORGANIZATIONAL CAPACITY: 5.0

In terms of organizational development, Montenegrin NGOs fare rather poorly. Only the strongest NGOs have defined their basic goals and missions, as well as mechanisms to implement their plans. Most NGOs have basic, but poorly defined, missions. NGOs generally have basic internal management structures, as required by the law, but there is limited understanding of strategies. It is estimated that

around 50 NGOs have staff, but only a handful have more than one staff member. Few NGOs have their own equipment, often relying on personally owned equipment instead. NGOs also rarely seek to build their membership or constituency base. Outside of political parties, the only organization with a significant constituency is the Montenegrin independent trade union federation.

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### FINANCIAL VIABILITY: 5.5

International interest in Montenegro is increasing. The government does not restrict international funding, and the law allows unfettered registration of foreign NGOs and foundations. NGOs are largely dependent on foreign donors, and organizations of-

ten alter their missions to conform to donor interests. Many organizations are also created in response to donor priorities.

Montenegrin NGOs still face serious challenges in raising local funds. One of the few

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examples of local support is the open competition for public grants held by the government. Six NGO representatives served on the panel for the competition, thereby helping to avoid any bias towards pro-government organizations.

Most NGOs are starving for even the most basic support and unlikely to survive. CEDEM estimates that, at most, 15 to 20 % of the current 800 NGOs in Montenegro are likely to survive financially.

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### ADVOCACY: 3.5

There is a generally positive relationship between NGOs and both the national and local governments, with the exception of areas that are controlled by the hard-line party of Momir Bulatovic. This is evident in the many NGO-local government agreements on community activities, as well as the engagement of NGOs in the drafting and passage of the NGO law. Other fields in which advoca-

cacy is common include economics and health care.

The practice of "lobbying" is still unknown in Montenegro. Instead, most advocacy initiatives take place in the media, through advertisements or coverage of press conferences. Very few strong figures have emerged from the NGO community that can take on larger issues.

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### SERVICE PROVISION: 4.5

Several NGOs have developed a real capacity for providing services to the local community. Services provided include the protection of women from domestic violence, education for parents and children, and training for juvenile delinquents.

Several NGOs have developed cooperative relationships with local authorities. For example, the SOS Hotline works with the local police,

who now take the problem of spousal abuse more seriously.

However, there are few examples of this. In general, service provision is underdeveloped due to society's general expectation that all services will be provided by the state. Furthermore, many international institutions, especially humanitarian organizations, wish to provide services themselves.

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### INFRASTRUCTURE: 5.0

Overall, the support system for NGOs in Montenegro is weak. NGO Resource Centers, advice centers, and support organizations are only starting to develop. The NGO Network and the Center for NGO Development have begun to

provide services to the NGO community, but their roles have to be improved in the future. NGOs have to take on several functions because of the great needs that exist.

Indigenous Montenegrin training materials and trainers still do not exist. As a result, NGOs rely on training capacity developed in Serbia.

Promises of international support to address this deficiency have been slow to materialize.

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### **PUBLIC IMAGE: 5.0**

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When there is media coverage of NGO activities, it tends to be positive and responsive to NGOs. Much of the population now views NGOs as part of Montenegrin society, as opposed to a foreign creation. However, a significant part of the population, which voted for Momir Bulatovic and his hard-line party, still view NGOs as traitors, and NGOs are portrayed this way in the pro-Bulatovic press.

Overall, public understanding of NGOs' role in society remains limited. People often think of NGOs simply as replacements for state-provided services. The general public is not knowledgeable enough about NGOs to be supportive. The business sector is not developed enough to offer support. NGOs themselves have little sense of promotion.